

156-2220-  
6644

IN REPLY REFER TO:  
Job #1776-A-VJB

16 November 1956

MEMORANDUM FOR: Deputy Director (Intelligence) - 11  
Deputy Director (Plans) - 19  
General Counsel - 1 (Info)  
Inspector General - 1  
Comptroller - 1 (Info)  
Director of Personnel - 5 (Info)

25X1A8A

SUBJECT: Proposed [ ] Civil Service Retirement,  
Revision of the Civil Service Retirement Act

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1. Proposed [ ] is submitted for your concurrence and comments.

2. This notice reflects amendments to the Civil Service Retirement Act enacted by the 84th Congress and is proposed to inform employees of changes in their benefits under that Act effective 1 October 1956. This notice was originated by the Director of Personnel at the suggestion of the Legislative Counsel and has been approved by the Assistant Deputy Director (Support) for further coordination.

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3. A field notice on this material is not contemplated. A book dispatch to the field has been drafted instead. Questions on the subject notice may be directed to [ ] Office of Personnel,

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[ ] extension [ ]

4. Please indicate your concurrence on the attached Concurrence Sheet and send it or your comments, in duplicate, to this Staff by 26 December 1956.

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[ ]  
Acting Chief  
Regulations Control Staff

Enclosures:

1. Proposed [ ]
2. Concurrence Sheet

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This Notice Expires 1 October 1957

PERSONNEL

16 November 1956

**CIVIL SERVICE RETIREMENT**

**REVISION OF THE CIVIL SERVICE RETIREMENT ACT**

1. The President has approved amendments revising the Civil Service Retirement Act to liberalize benefits to Federal employees effective 1 October 1956. The following summary of the new provisions is furnished for the information of Agency employees pending revision of [ ] The Civil Service Commission's Pamphlet No. 18 detailing provisions of the Act is being revised and will be distributed to all employees when copies are available.
2. Under the new rules, an employee's yearly annuity will be computed at (a)  $1\frac{1}{2}$  percent of the "high-five" average salary\* multiplied by so much of total service as does not exceed 5 years, plus (b)  $1\frac{3}{4}$  percent of the "high-five" average multiplied by years of service over 5 but not over 10, plus (c) 2 percent of the "high-five" average salary multiplied by years of service over 10. A substitute formula of 1 percent of the "high-five" average plus \$25 for each year of service will produce a higher annuity rate in the lower salary ranges. This substitute formula will be used instead of any part of the above formula if a higher annuity rate would result.

\*The "high-five" average salary is the highest average basic salary earned during any 5 consecutive years of service.

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3. Optional retirement is authorized at age 62 after 5 years of service, with the right to elect survivor benefits. (The former law provided for an annuity after 5 years of service, but required 15 years of service for election of survivor benefits.) The right to retire on a reduced annuity at age 55 after 30 years of service is continued. An annuity may be granted upon involuntary separation after attaining the age of 50 years with 20 years of service, and the existing provision for annuity upon involuntary separation after 25 years of service, regardless of age, is continued. The reduction factor for retirement before reaching age 60 is changed from 3 percent a year to 1 percent for each year the retiring employee is under age 60 and 2 percent for each year under age 55.
4. Disability benefits are liberalized by providing a minimum of 40 percent of the average salary, or the annuity which would have been earned at age 60, whichever is the lesser.
5. Survivor benefits are increased by a reduction in annuity to an employee electing this provision to  $2\frac{1}{2}$  percent of the first \$2,400 of annuity plus 10 percent of annuity over \$2,400. Also, upon the death of an employee after 5 years of service, or of a retired employee, the surviving widow or widower will receive an annuity equal to 50 percent of the earned annuity of the decedent, beginning the first month after such death.

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6. The amount withheld from the employee's salary for contribution to the retirement fund will be increased to  $6\frac{1}{2}$  percent beginning 7 October 1956.
7. Questions concerning these changes may be referred to the Benefits and Casualty Division, Office of Personnel, extension

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DISTRIBUTION: ALL EMPLOYEES

(Job #1776-A-VJB)

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Concurrence by  on Substance, legality, and DCI  
Authentication is not required.